

Memorandum

To: Chair and Commissioners

Date: July 29, 2002

From: Diane C. Eidam

File No:
Reference Number 2.1e(1)
Action

Ref: Project Approval Amendment to the Department of Transportation for \$900,000 in Proposition 116 funds for the Pacific Coast Highway Grade Separation Project AND Project Approval Amendment to the Alameda Corridor Transportation Authority for \$17,100,000 in Proposition 116 funds for the Pacific Coast Highway Grade Separation Project thereby Amending PA-02-03

Issue:

Should the Commission approve the attached resolution for the Department of Transportation's (Department's) and the Alameda Corridor Transportation Authority's Alameda Corridor Pacific Coast Highway Grade Separation Project for \$900,000 in Proposition 116 funds to the Department and \$17,100,000 to the Alameda Corridor Transportation Authority?

The approval of the attached resolution amends PA-02-03, and will provide for \$900,000 in design engineering previously allocated via delegated authority G10-95-05 (\$420,000), and G20-95-05 (\$480,000) to the Department and will provide for \$17,100,000 allocated July 18, 2002 via BFP-02-01.

Recommendation:

Commission staff has reviewed the Proposition 116 Bond Program requests from the Department and the Alameda Corridor Transportation Authority and recommends that the Commission approve the attached resolution, which would grant approval to the Department of Transportation (Department) for \$900,000 in Proposition 116 funds for the Pacific Coast Highway Grade Separation project and \$17,100,000 to the Alameda Corridor Transportation Authority (ACTA). This approval would continue to fully commit the \$80,000,000 available in Proposition 116 funds (PUC Section 99624[a]) to four stand-alone fully funded projects.

Background:

At the Commission's July 2002 meeting it approved the change in applicant status from the Department of Transportation to the Alameda Corridor Transportation Authority (ACTA). Originally, the approval was for the entire \$18,000,000 in Proposition 116 funds authorized for the Pacific Coast Highway Grade Separation Project. Subsequent to the approval,

Commission staff discovered that \$900,000 of the total \$18 million had been expended by the City of Los Angeles via a contract with the Department. Based on that information, the Department and the ACTA have requested that the \$900,000 remain with the Department for final invoicing and payment of the \$900,000 for the PS & E element and provide the \$17,100,000 in Proposition 116 Bond funds to the ACTA for contract award and expenditure for the construction portion of the project.

Proposition 116 authorizes \$80,000,000 to Caltrans (PUC Section 99624[a]) for grade separations along the Alameda-San Pedro branch rail line connecting the Los Angeles and Long Beach Harbors with downtown Los Angeles and paralleling Alameda Street, to alleviate vehicle traffic congestion, conserve energy, reduce air pollution in the area and facilitate the more efficient and expeditious shipment of freight to and from the Los Angeles and Long Beach Harbors. The approved October 1994 application, outlined four (4) grade separation projects with associated Proposition 116 Bond costs as follows:

- 1) Del Amo Boulevard, \$25,000,000;
- 2) Sepulveda Boulevard, \$16,000,000;
- 3) Pacific Coast Highway, \$18,000,000; and
- 4) Alameda Street, \$21,000,000.

PUC Section 99624[b] authorizes an exemption to the Public Utilities Commission's authority to set terms dividing expenses of railroad grade separations, set standards for proportioning costs of grade separations, and establish an annual prioritized list of grade separation projects, contingent upon the affected railroad corporation making a 10 percent contribution to the costs of constructing the grade separations. The four-grade separation projects listed as the Alameda Corridor projects have applied the 10 percent contribution from the railroad corporation in their funding plans, as required by Proposition 116.

In August 1999, Commission staff received and reviewed the Department's amended applications for the Alameda Street and Pacific Coast Highway Grade Separation projects. In September 1999, the Commission approved the projects as scoped and separated the projects into two stand-alone projects.

In January 2002, Commission staff received and reviewed the Department's amended application for the Pacific Coast Highway Grade Separation project. Subsequent to the February Commission approval of the amended Proposition 116 Application, staff found that the request was to provide the Proposition 116 funds to the Alameda Corridor Transportation Authority. At the Commission's February 2002 meeting, the Department and the Alameda Corridor Transportation Authority requested approval to amend the project to include the new preferred alternative that would expand the scope of the project by shifting the viaduct westerly away from the oil refinery and constructing the extended overhead viaduct to grade separate, not only the Alameda Corridor Transportation Authority mainline tracks but also Alameda Street and the San Pedro Branch spur track, which serves the back area of the Port of Los Angeles.

In July 2002, the Commission approved the Department's request to shift STIP funds from the PS&E component to the construction component and to allocate a portion of the funds programmed in the STIP, IIP and Proposition 116. The preferred alternative has a total project cost of \$116,161,500, an increase of \$70,051,500 since the August 1999 application was approved. According to the Department the \$70,051,500 increase is primarily due to shifting the viaduct westerly and increasing the length of the overhead viaduct. The Pacific Coast Highway Grade Separation project has a total of \$18,000,000 in Proposition 116 funds and is fully funded using a mixture of State, Federal and railroad funds, as follows:

\$ 56,000,000	- Interregional Improvement Program
\$ 14,000,000	- Regional Improvement Program
\$ 18,000,000	- Proposition 116
\$ 11,500,000	- Federal Demonstration Funds
\$ 861,500	- ISTEA STURA Funds
\$ 14,000,000	- Alameda Corridor Transportation Authority Funds
<u>\$ 1,800,000</u>	- Private Railroad Funds
\$116,161,500	Total Funding

In summary, approval of the attached resolution will authorize the Department to reimburse the City of Los Angeles for preliminary engineering work already completed in the amount of \$900,000 in Proposition 116 Bond funds and approve expenditures in the amount of \$17,000,000 in Proposition 116 Bond funds for the construction component of the Pacific Coast Highway Grade Separation Project. This approval would also bring the Proposition 116 Bond Program funding plan for the Alameda Corridor – Pacific Coast Highway Grade Separation project consistent with the funding components approved at the Commission's July 18, 2002 meeting.

CALIFORNIA TRANSPORTATION COMMISSION

Commission Project Application Approval Amendment
Department of Transportation and the
Alameda Corridor Transportation Authority
Proposition 116 Application for the
Pacific Coast Highway Grade Separation - Alameda Corridor

Resolution #PA-02-XX
Amending Resolution #PA-02-03

- 1.1 WHEREAS, in June 1990 the voters approved Proposition 116, the Clean Air and Transportation Improvement Act, for \$1.99 billion for rail and mass transportation purposes; and
- 1.2 WHEREAS, the California Transportation Commission is designated in Proposition 116 to oversee the five grant programs over the 20-year term of the Proposition; and
- 1.3 WHEREAS, Proposition 116 calls for the Commission to establish an application process and to develop and adopt guidelines to implement those programs; and
- 1.4 WHEREAS, Proposition 116 establishes as a purpose of the application process that it "facilitate implementation of improved cost-effective transit service to the maximum number of Californians and to prevent the funds provided for by this part from being spent on needlessly costly features"; and
- 1.5 WHEREAS, Proposition 116 requires applications to specify full and complete capital plans, financial plans, and operating plans, including schedules and funding sources; and
- 1.6 WHEREAS, in December 1990 the Commission adopted policy and application guidelines (#G-90-23) for the Proposition 116 rail program; and
- 1.7 WHEREAS, pursuant to Proposition 116, PUC Section 99624(a), and contingent upon approval by the Commission of an application for funding, \$80,000,000 shall be allocated to the California Department of Transportation (Department) for grade separations along the Alameda-San Pedro branch line connecting the Los Angeles and Long Beach Harbors with downtown Los Angeles and paralleling Alameda Street, to alleviate vehicle traffic congestion, conserve energy, reduce air pollution in the area, and facilitate the efficient and expeditious shipment of freight to and from the Los Angeles and Long Beach Harbors; and
- 1.8 WHEREAS, the Commission has established a "Hazardous Waste Identification and Cleanup Policy" (#G-91-2) which requires the applicant agency to have performed full due diligence in identifying the hazardous waste in the right-of-way and easements and properties and cleanup required, and that the State has been indemnified from cleanup liability or damages, both present and future; and

- 1.9 WHEREAS, the Commission has established a “Rail Right-of-Way Review Policy” (#G-95-09) which requires an evaluation of the applicant agency’s report on the appraisal cost and easement price of the rail right-of-way to be acquired; and
- 1.10 WHEREAS, the Commission’s policy and application guidelines (#G-90-23, Policy 33) require that in the event that a rail right-of-way project does not result in rail service by the year 2000 and the property is no longer needed, the Commission shall require that a liquidation plan be prepared by the grant recipient by January 31, 2000 for approval by the Commission to dispose of the property; and
- 1.11 WHEREAS, PUC Section 99624(b) authorizes an exemption to state statutes as they relate to the Public Utilities Commission’s authority to set terms dividing expenses of railroad grade separations, set standards for proportioning costs of grade separations, and establish an annual prioritized list of grade separation projects, contingent upon the affected railroad corporation making a 10 percent contribution to the costs of constructing the grade separations; and
- 1.12 WHEREAS, in December 1994, the Commission approved an application from the Department in PA-94-25 and in June 1996 an amended application in PA-96-16 for \$80,000,000 in Proposition 116 funds to be used with other state, local, railroad funds, for a total project cost of \$125.1 million for right-of-way acquisition, preliminary engineering and construction for four grade separations along Alameda Street. The grade separation projects included:
- Pacific Coast Highway (\$31.6 million total project cost) - \$18,000,000 Proposition 116 Rail Bond funds - A 2,900 foot viaduct spanning the existing Southern Pacific and Santa Fe rail lines and Alameda Street.
 - Sepulveda Boulevard (\$27.1 million total project cost) - \$16,000,000 Proposition 116 Rail Bond funds - A 2,000 foot viaduct spanning the Southern Pacific rail line and Alameda Street.
 - Del Amo Boulevard (\$31.5 million total project cost) - \$25,000,000 Proposition 116 Rail Bond funds - A 2,300 foot viaduct spanning the Southern Pacific rail line and Alameda Street.
 - Alameda Street near Laurel Park Road (\$34.9 million total project cost) - \$21,000,000 Proposition 116 Rail Bond funds - A north-south grade separation that involves an extension of Santa Fe Avenue under the existing Southern Pacific rail line connecting Santa Fe Avenue with Alameda Street near Laurel Park Road; and
- 1.13 WHEREAS, in June 1996, the Commission authorized (PA-96-16) up to five percent of the \$80,000,000 in Proposition 116 funds approved for the Alameda Corridor Grade Separation project to be made available to the Department for pre-construction activities; and
- 1.14 WHEREAS, in February 1998, the Commission approved an amended application (PA-98-05) for \$16 million in Proposition 116 funds for the Sepulveda Grade Separation project, with changes in the design of the viaduct to 1,200 feet; a waiver of Allocation Resolution BFP-97-06 (Section 2.4) and the separation of the Sepulveda Grade Separation project from the other three previously approved Alameda Corridor Grade Separation projects (PA-96-16); and
- 1.15 WHEREAS, the Commission made an allocation in August 1997 to the Del Amo Boulevard Grade Separation project under BFP-97-06 (\$19,365,000) for right-of-way acquisition; and
- 1.16 WHEREAS, in August 1999, the Commission approved an application amendment from the Department requesting the Del Amo Boulevard Grade Separation Project go forward separately, which will allow for better project management and that \$9,100,000 from the

previously approved Alameda Street Grade Separation project be transferred to the Del Amo Boulevard Grade Separation Project to fully fund that project (the Alameda Street project will remain fully funded by backfilling with Federal Demonstration Project funds); and

- 1.17 WHEREAS, the Commission's approval of the application amendment for the Del Amo Grade Separation project with the condition that prior to the execution of a Fund Transfer Agreement for any Proposition 116 Alameda Corridor project, the Department shall submit completed Proposition 116 applications for the Alameda Street and Pacific Coast Highway Grade Separation projects to go forward as stand-alone projects and ensuring that each project is fully funded; and
- 1.18 WHEREAS, in August 1999, the Commission received an application amendment from the Department requesting \$18,000,000 in Proposition 116 funds for the Pacific Coast Highway Grade Separation project and that the project go forward separately, which will allow for better project management; and
- 1.19 WHEREAS, in January 2002, the Commission received an application amendment from the Department of Transportation and the Alameda Corridor Transportation Authority requesting \$900,000 and \$17,100,000 respectively in Proposition 116 funds for the Pacific Coast Highway Grade Separation project to include the new preferred alternative, which will expand the scope of the project by shifting the viaduct westerly away from the oil refinery and constructing an extended overhead viaduct to grade separate the Alameda Corridor Transportation Authority mainline tracks, Alameda Street, and the San Pedro Branch spur track; and
- 1.20 WHEREAS, in January 2002, the Commission received a request from the Department for a change in applicant status to the Alameda Corridor Transportation Authority; and
- 1.21 WHEREAS, in January 2002, the Commission received a request from the Alameda Corridor Transportation Authority accepting the applicant status.
- 2.1 BE IT THEREFORE RESOLVED, that the Commission hereby grants approval of the amended application for \$900,000 in Proposition 116 funds to the Department of Transportation for preliminary engineering activities for the fully funded Pacific Coast Highway Grade Separation project; and
- 2.2 BE IT FURTHER RESOLVED, that the Commission hereby grants approval of the amended application for \$17,100,000 in Proposition 116 Bond funds to the Alameda Corridor Transportation Authority for construction of the fully funded Pacific Coast Highway Grade Separation project; and
- 2.3 BE IT FURTHER RESOLVED, that a Proposition 116 project approval by the Commission reserves the State funding within the Program, and allows project development work to be undertaken by the applicant agency, which will be subject to state reimbursement pursuant to the Commission's "Financial Guidelines for Local Agency Reimbursement" and subsequent fund transfer agreement.